



Nebraska Grain Sorghum Producers Association

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2007 Farm Bill Testimony

presented by:

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2007 Farm Bill Listening Session

hosted by

Governor Dave Heineman

Wednesday, August 31, 2005

6:30 – 8:00 PM

**Agricultural Hall
Nebraska State Fair**

Governor Heineman, Director Ibach, ladies and gentlemen. My name is Gerald Simonsen. I am a sorghum farmer from Ruskin, Nebraska and, as a representative of the Nebraska Grain Sorghum Producers Assn.; I appreciate this opportunity to provide input on the next farm bill.

Nebraska GSPA considers the 2002 farm bill, the Farm Security and Rural Investment Act, the most significant piece of farm legislation ever written for sorghum farmers because it equalized the sorghum loan rate with other feed grains. That said, I think you can understand why our first priority is to keep the current farm bill. We encourage USDA to give serious consideration to doing that.

Keeping the current policy is important because it is the first step in equalizing sorghum program benefits with other high water-use crops that are moving into the semi-arid region. NeGSP members regard crop insurance as one example of a program benefit that has encouraged high-water use crops to move into the semi-arid sorghum belt.

We appreciate your interest in the six specific policy areas outlined in your invitation and wish to briefly address each of the questions.

First, we would like to make conservation a top priority for the next farm bill, because we view sorghum as a conservation crop. Sorghum is a water-sipping crop -- it uses one-third less water than other feed grains. We encourage USDA to look at all of its programs to ensure that semi-arid crops are grown in semi-arid regions. Sorghum farmers have seen high water-use crops move into the semi-arid region of the U.S. at the expense of a water-sipping crop like sorghum. We recommend that new farm policy needs to reverse this trend.

We support the Conservation Reserve Program (CRP), but also support programs that both reward producers for good farming practices like no-till or reduced-till and focus on water quantity, which is a more critical and immediate issue in our area than water quality concerns.

In addition, it seems that the WTO negotiations, supported by the United States, are pushing U.S. farm policy to be greener, meaning focusing on conservation issues. Sorghum farmers encourage that, as long as water conservation is one of the top priorities for our own new farm policy.

Another important agronomic characteristic to consider is that the sorghum plant will go dormant, rather than die as high water use crops would when it does not rain. This is an important capability as sorghum provides a ground cover that helps with the absorption of precipitation and aids in preventing wind erosion.

Three conservation programs that are important and used by many members of NeGSPA are the Conservation Reserve Program (CRP), the Environmental Quality Incentives Program (EQIP) and the Conservation Security Program (CSP).

Regarding your question on maximizing Nebraska's competitiveness and our country's ability to effectively compete in global markets; we have seen that free trade agreements provide more immediate access for sorghum into foreign markets. The WTO is, however, the forum within which to discuss how to level the international playing field. For a WTO agreement to work for the feed grain industry, substantial improvements in new market access must occur. For some reason, agricultural trade policies of some countries don't always follow the economic reasoning and logic that I was taught in college.

The sorghum industry is very interested in the results of the WTO negotiations because nearly five out of every ten rows of sorghum grown in the U.S. is exported. (Marketing Year ending August 31, 2004 – Sorghum exports totaled 5.1 TMT – 48% of total production. Source: USDA WASDE, Dec. 10, 2004)

You ask how should agricultural product development, marketing and research-related issues be impacted by the next farm bill. NeGSPA encourages USDA to provide support for new domestic markets. For sorghum, ethanol is the fastest growing valued-added market we have. Energy use for agricultural products needs to be given serious consideration for future farm policy.

Also, public research needs to be a priority for a smaller crop like sorghum. A disparity exists between private corn and sorghum research. The largest privately owned corn breeding company spent over a \$100 million on corn breeding research last year, while the entire sorghum research budget (both public and private) is roughly \$20-25 million. A commitment to research allows other feed grains to have over 550 scientists working on improving that crop, while sorghum has approximately 20 scientists. Dedicated resources to research have increased corn yields 1.4 bushels per acre per year, while sorghum yields have increased at half of that rate – 7/10ths of 1%.

We also believe there needs to be research investment in more forage sorghums for biomass ethanol production. From a farmer's standpoint, it makes much more sense than some of the grass crops that USDA and DOE are researching currently.

How can rural farm programs provide effective assistance to rural areas? Rural America and agriculture has changed and will continue to change. A longstanding goal of farm policy has been to enhance and stabilize farm prices and incomes. Not all areas of rural America and agriculture have moved ahead at the same pace. If farm programs are to change because of budget restrictions, then areas in the U.S. that are truly farm dependent, meaning counties that receive most of their income from agriculture, need to be identified and targeted as a top priority for farm program benefits. Also, incentive programs, such as those for ethanol plants in the energy portion of the 2002 Farm Bill are very valuable for rural economic development.

How should farm program payments be distributed to producers?

Assistance should be distributed to producers based upon production, either by crop or by acres.

Finally, Governor, you have asked about policies that can help young farmers enter agriculture. NeGSPA agrees with USDA's concerns on this issue. We believe this is a serious problem for the future of agriculture, especially in a state like Nebraska with an aging farm population. In Nebraska, government payments have not driven up cash rents and land values. Perhaps in other areas of the country where other crops have a more lucrative program this may be the case, but not here.

This issue is also relates to a previous question about supporting rural areas. Attracting people to rural areas is a concern for NeGSPA. While we don't have concrete proposals at this time, you can rest assured that our Board will continue to discuss the issue and forward our comments to you.

Thank you for this opportunity to provide comments at this farm bill forum. We look forward to working with you on the next farm bill.



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TO:

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